

STATE OF VERMONT
PUBLIC SERVICE BOARD

SPEED Certification No. 4 (Amended)

Petition of City of Burlington Electric Department for)
Certification that a portion of the output of the Joseph C.)
McNeil Generating Station qualifies as a SPEED)
Resource)

Order entered: 9/10/2010

I. INTRODUCTION

By Order dated May 14, 2010, the Public Service Board ("Board") determined that the incremental generation produced by the Joseph C. McNeil generating station ("McNeil") as the result of the installation of a Regenerative Selective Catalytic Reduction ("RSCR") system, reduced by a percentage attributable to any generation using fossil fuels, qualifies as a SPEED¹ project pursuant to PSB Rule 4.305(A).² The Order established both the historical baseline using the average output for the 10-year period ending December 31, 2004, as required by 30 V.S.A. § 8002(4),³ and a quarterly reporting requirement so that the amount of new renewable generation from the facility could be determined and tracked.⁴ On July 26, 2010, the City of Burlington Electric Department ("BED") filed a request asking that the May 14, 2010, Order be amended based on a new calculation of the historical baseline average, and that the quarterly reporting requirement be changed to an annual reporting requirement. BED also asked that it be allowed to submit its reports in electronic format.

On August 6, 2010, the Board sent a memorandum on BED's request, seeking comment from the Department of Public Service ("Department"), the Vermont Agency of Natural

1. Sustainably Priced Energy Enterprise Development. SPEED projects are new electric generating projects that produce renewable energy. A new project is a project brought on-line after December 31, 2004. A SPEED project must use a technology that relies on a resource that is being consumed at a harvest rate at or below its natural regeneration rate. For more information about the SPEED program, visit the Vermont SPEED website at <http://vermontspeed.com>.

2. *SPEED Certification No. 4*, Order of 5/14/10 at 3.

3. *Id.* at 2, 3.

4. *Id.* at 3.

Resources ("ANR"), and Vermont's SPEED facilitator. On August 19, 2010, the Department submitted comments on BED's request, recommending that the Board approve the change to the calculation of the ten-year historical baseline, and stating that the proposed annual reporting requirement was acceptable, but noting its interest in continuing to receive copies of the quarterly report BED files with the Connecticut Department of Public Utility Control ("CDPUC"). The Department has no objection to receiving its report copies in electronic format.⁵ No other entities filed comments.

II. DISCUSSION AND CONCLUSIONS

Pursuant to Board Rule 4.304(A), SPEED projects can include modification or expansion of an existing generation facility, provided the modification or expansion comes into service after December 31, 2004. Board Rule 4.304(E)(1) provides that the incremental increase in the electricity product(s) enabled by modification or expansion of an existing generation facility qualifies as a SPEED project to the extent that the increase is produced using renewable fuels. In our May 14, 2010, Order, we determined that the incremental generation produced by McNeil as a result of the installation of the RSCR, reduced by a percentage attributable to any generation utilizing fossil fuels,⁶ qualified as a SPEED project pursuant to Board Rule 4.305(A).

As part of its original filing seeking SPEED certification for McNeil, BED calculated McNeil's historical baseline for the 10-year period ending December 31, 2004,⁷ to be used in determining the incremental output resulting from installation of the RSCR.⁸ In calculating the historical baseline, BED included generation that was produced from non-biomass fuels. In its July 26, 2010, filing, BED is asking that it be allowed to amend the historical baseline calculation to exclude the generation that was produced using non-biomass fuels for the ten-year

5. Letter from Sarah Hofmann, Esq. to Susan M. Hudson, Clerk of the Board, dated 8/18/10.

6. As discussed in the May 14, 2010, Order, while McNeil primarily utilizes biomass fuel, it is a multi-fuel facility that occasionally utilizes natural gas or fuel oil to generate electricity. *Id.* at 2-3.

7. BED calculated an historical baseline using the average output for the 10-year period ending December 31, 2004, of 193,333.7 MWh. *SPEED Certification No. 4*, Order of 5/14/10 at 2, note 4.

8. See 30 V.S.A. § 8002(4).

period ending December 31, 2004.⁹ BED reasons that, since the amount of incremental generation enabled by installation of the RSCR that qualifies as a SPEED resource must exclude generation produced from non-biomass fuels, then the historical baseline against which it is compared should also exclude generation produced from non-biomass fuels.

We conclude that BED's request to amend its calculation of the historical baseline is reasonable and will result in a more accurate determination of new renewable energy resulting from the installation of the RSCR. If we were to require BED to include generation from non-biomass fuels in the calculation of the historical baseline, it would inappropriately reduce the amount of generation that should qualify as a SPEED project under our rules. BED's requested amendment is granted and its new calculation is approved.

BED also asks that the reporting requirement established in our May 14, 2010, Order be amended from a quarterly report to an annual report, and asks that it be allowed to file its reports in electronic format due to their voluminous nature. Public Service Board Rule 4.305(A) requires a process to determine what portion of a facility's output constitutes new renewable generation where a blend of fossil and renewable fuels is used. We initially adopted the quarterly reporting requirement to fulfill this mandate because BED proposed relying on its reporting requirement to the CDPUC, which is designed to demonstrate McNeil's qualification for participation in Connecticut's Class I Renewable Energy Certificate market. Under that program, BED is required to file quarterly reports with the CDPUC that document the hours during which non-biomass fuel was burned and the output generated during those hours. We directed BED to file copies of the CDPUC reports with the Board at the time it filed those reports with the CDPUC. However, we also allowed BED an opportunity to propose an alternative reporting requirement if it believed the requirements of PSB Rule 4.305(A) could be met in a more efficient manner.¹⁰

BED's proposal would entail submission of reports on an annual basis in January. BED contends that an annual report makes more sense because the amount of new renewable energy

9. BED determined that 90.5% of net power generated during the 10-year period ending December 31, 2004, was produced using biomass fuel, resulting in a new historical, biomass-only, baseline of 174,996.99 MWh. BED letter to Susan M. Hudson, PSB Clerk, filed July 26, 2010, at 1-2.

10. *SPEED Certification No. 4*, Order of 5/14/10 at 3, note 5.

produced by McNeil will be determined on an annual basis. The proposed report would show the annual MWh produced by McNeil, less the amount of MWh produced through use of natural gas or oil, to arrive at the amount of generation produced using wood as a fuel source. The difference between this amount and the historical baseline discussed above would constitute new renewable energy. As noted earlier, the Department has no objection to BED's request, but states its desire to continue to receive copies of the quarterly CDPUC report in electronic format.

We accept BED's annual reporting proposal. BED must file its report annually during the month of January setting forth the information described above for the preceding calendar year. BED shall continue to provide the Department with copies of its quarterly report concurrent with its filing at the CDPUC. Those copies may be provided to the Department in electronic format.¹¹ With respect to BED's request to provide its annual report to the Board in electronic format, BED may make such filings by submitting them to the Board on compact disc. The files on the disc must be searchable and extractable, and any spreadsheets must be manipulable.

III. ORDER

IT IS HEREBY ORDERED, ADJUDGED AND DECREED by the Public Service Board of the State of Vermont that the amended calculation of McNeil's historical baseline for the 10-year period ending December 31, 2004, is approved and adopted. BED shall file with the Board in January of each year, a report setting forth its calculation of the amount of new renewable generation produced by McNeil for the preceding calendar year, including the total MWh produced by McNeil for the preceding year, the amount of MWh produced through use of natural gas or oil for the preceding year and the difference between those two amounts. BED shall continue to file copies of its quarterly CDPUC report with the Department in a format to be agreed upon between BED and the Department. BED may file its annual reports with the Board on compact disc, with all files to be searchable and extractable, and any spreadsheets to be manipulable. Except as expressly amended herein, all other aspects of our May 14, 2010, Order remain in full force and effect.

11. BED and the Department should work together to determine the specifics of the electronic format and its method of delivery.

DATED at Montpelier, Vermont, this 10th day of September, 2010.

<u>s/ James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>s/ David C. Coen</u>)	BOARD
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)	OF VERMONT
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OFFICE OF THE CLERK

Filed: September 10, 2010

Attest: s/ Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)

Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.